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Richard A. Askoff  
Associate General Counsel

July 7, 1993

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
Room 222  
1919 M Street, N.W.  
Washington, D.C. 20554

Re: Revisions to Tariff F.C.C. No. 5

Universal Service Fund and  
Lifeline Assistance Rates

CC Docket No. 93-123

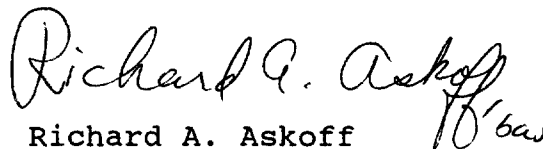
Transmittal Nos. 518, 527, 530

Dear Mr. Caton:

Enclosed herewith for filing with the Commission are the original and seven copies of the National Exchange Carrier Association, Inc.'s Rebuttal in the above-captioned matter.

Please acknowledge receipt hereof by affixing a notation on the duplicate copy of this letter furnished herewith for such purposes and remitting same to bearer.

Very truly yours,

  
Richard A. Askoff

RAA/bas  
Enclosures

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**RECEIVED****JUL - 7 1993**

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C.**

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of )

National Exchange Carrier )  
Association, Inc. )

CC Docket No. 93-123

Revisions to Tariff F.C.C. No. 5 )

Transmittal Nos. 518,  
527, 530Universal Service Fund and )  
Lifeline Assistance Rates )

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**REBUTTAL**

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National Exchange Carrier  
Association, Inc.  
100 South Jefferson Road  
Whippany, New Jersey 07981

July 7, 1993

**SUMMARY**

The National Exchange Carrier Association, Inc. (NECA) submits this Rebuttal in response to the parties' opposition to NECA's Direct Case in Commission's Investigation Order in CC Docket No. 93-123. NECA herein shows that its Universal Service Fund (USF) resizing methodology is reasonable and consistent with the Commission's rules. NECA further demonstrates that its use of a \$1 million threshold for National Average Cost Per Loop calculations relating to errors and omissions is reasonable and consistent with the quarterly update rules.

In addition, NECA illustrates that its edit procedures provide reasonable assurance that errors in exchange carrier data submissions are detected prior to filing. AT&T's concerns regarding NECA's data edit procedures are shown to be unfounded. Moreover, NECA demonstrates that AT&T's methodology for calculation of proposed revisions to USF payment amounts is one-sided and inconsistent.

As shown herein, the Commission should not require USF expense adjustment revisions to reflect changes in the National Average Cost Per Loop associated with USF data submission updates. However, if the Commission should require NECA to implement such revisions, NECA demonstrates that it should do so only on a prospective basis.

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National Exchange Carrier	)	CC Docket No. 93-123
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	)	
Revisions to Tariff F.C.C. No. 5	)	Transmittal Nos. 518,
	)	527, 530
	)	
Universal Service Fund and	)	
Lifeline Assistance Rates	)	

**REBUTTAL**

The National Exchange Carrier Association, Inc. (NECA) submits its Rebuttal to oppositions to NECA's Direct Case in the above-captioned proceeding.<sup>1</sup> This Rebuttal demonstrates that the methodology NECA uses to resize USF revenue requirements is reasonable and consistent with the Commission's rules; that NECA's data edit procedures provide reasonable assurance that errors in exchange carrier (EC) data submissions are identified and corrected; and that the Commission should not require retroactive adjustments in USF payments.

**I. NECA's Resizing Procedures are Reasonable and in Compliance With the Commission's Rules and Regulations.**

As shown in NECA's Direct Case, section 36.622 of the Commission's rules requires NECA to adjust the National Average Cost Per Loop (NACPL) when carriers submit "quarterly" updates of

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<sup>1</sup> National Exchange Carrier Association, Transmittal Nos. 518, 527, 530, Order Designating Issues for Investigation, CC Docket No. 93-123, (April 23, 1993) (Investigation Order).

USF data, and prohibits NECA from adjusting the NACPL for submitting carriers. NECA follows the same approach with respect to non-quarterly data adjustments, which typically occur as a result of corrections to data for errors and omissions. NECA showed that the Commission should not require NECA to follow inconsistent procedures for these similar types of data adjustments, but, if the Commission nevertheless requires NECA to implement such revised procedures, it should do so only on a prospective basis.

Cathey, Hutton & Associates, Inc. (Cathey, Hutton), Matanuska Telephone Association, Inc. (Matanuska), National Telephone Cooperative Association (NTCA), and the United States Telephone Association (USTA) filed comments confirming that NECA's resizing methods are both reasonable and consistent with Commission rules.<sup>2</sup> These commenters agree that, if the Commission does require NECA to institute procedures for non-quarterly data updates that are inconsistent with the treatment of quarterly updates, it should do so only on a prospective basis.<sup>3</sup>

The American Telephone and Telegraph Company (AT&T), MCI Telecommunications Corporation (MCI), and Allnet Communications Services, Inc. (Allnet) filed in opposition to NECA's Direct Case. The requirements of section 36.622 notwithstanding, these parties

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<sup>2</sup> Matanuska at 1; Cathey, Hutton & Assoc., Inc. at 3; NTCA at 1; and USTA at 1.

<sup>3</sup> See Cathey Hutton at 3; Matanuska at 1; USTA at 5-8.

claim that NECA should recalculate the NACPL for non-submitting companies when other ECs submit data corrections.

These parties are concerned that USF expense adjustments for individual companies and USF recipients overall may be slightly higher if the NACPL is not recalculated upward for all companies when a correction of errors in individual EC data results in increased study area loop costs. These parties fail to acknowledge that corrections of the NACPL for errors or omissions found in EC USF submissions may decrease as well as increase the NACPL. In these cases, NECA's procedures result in USF expense adjustments that are less than would have been the case if NECA had recalculated the NACPL for all companies.<sup>4</sup>

In its Direct Case, NECA explained that it adopted its current procedures to assure consistency between the treatment of quarterly updates and other types of corrections to data.<sup>5</sup> Adopting alternative procedures for non-quarterly data corrections (as suggested by AT&T and MCI) would create instability in USF payments and adversely affect recovery of loop-related revenue requirements of non-adjusting companies. These consequences are wisely avoided by the limitations specified in the quarterly update rule. From a

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<sup>4</sup> NECA showed in its Direct Case that reductions in USF expense adjustments occurred in 4 out of 8 years as a result of limiting NACPL recalculations to companies making adjustments. While it is true that different procedures would have produced a net reduction in USF expense adjustment levels over this period, this is a result of atypical data adjustments in a few years, which are unlikely to be repeated in future years. See NECA Direct Case at 19-20.

<sup>5</sup> NECA Direct Case at 10 and 12.

policy and practical standpoint the same procedures should be followed for non-quarterly adjustments.

AT&T does not dispute the need for consistent treatment of quarterly and non-quarterly data adjustments. MCI, however, asserts that quarterly and non-quarterly data adjustments are different and should be treated differently. According to MCI, "the USF rate impact [from quarterly updates] upon ICs is deferred, and most importantly, trued up in a subsequent semi-annual USF rate filing." MCI states that this process does not occur for non-quarterly data adjustments.<sup>6</sup>

Contrary to MCI's claims, adjustments resulting from non-quarterly data corrections are fully reflected in subsequent rate filings in the same manner as a quarterly update submission.<sup>7</sup> Thus, MCI's concerns are unfounded.

Finally, both AT&T and MCI argue that, because adjustments for data corrections are made on a monthly basis for participants in NECA's Common Line and Traffic Sensitive Pools, similar procedures should apply to USF data corrections. NECA agrees that errors and omissions in reported USF data must be corrected and the USF procedures accomplish this result. The analogy to pooling, however, does not support recalculation of the NACPL for non-adjusting companies. NECA explained in its Direct Case that

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<sup>6</sup> MCI at 6.

<sup>7</sup> For example, based on FCC review, ECs submitted data changes in accordance with RAO Letter No. 21. NECA immediately corrected expense adjustment payments for these ECs. These changes are reflected in resizing in subsequent tariff filings.



fundamental differences exist between the operation of the USF and the CL and TS pools.<sup>8</sup> ECs choose to participate in the access charge pools on a voluntarily basis, and place their interstate revenue requirements "at risk" in the pools with the understanding that prospective access charge rates may or may not achieve targeted earnings levels. In doing so, pool participants voluntarily accept the risk that forecasting errors by other ECs may adversely impact pool earnings.

USF expense adjustment amounts, in contrast, comprise only actual historical costs (i.e., costs which have already been incurred and recorded on company books). All ECs that qualify for USF Expense Adjustments are required under Commission rules to assign these amounts to the interstate jurisdiction and remove them from intrastate revenue requirements, thereby avoiding upward pressure on local rates. ECs remove these amounts from prospective rates with the understanding that they will be recovered through the interstate USF mechanism. There is no expectation that recovery will be put "at risk" through data corrections of other ECs.

These differences are reflected in the Commission's USF rules which, inter alia, prescribe calculation of USF revenue requirements (including a specified return component), provide for resizing of shortfalls (and overages) in rates, and prohibit NECA from recalculating payments to non-adjusting ECs based on quarterly data updates submitted by other ECs. No comparable rules exist with

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<sup>8</sup> NECA Direct Case at 13.

respect to pooling settlements, because pooling relies on a completely different set of principles than USF.

**II. NECA's Use of a \$1 Million Threshold for NACPL Calculations is Reasonable and Consistent with the Quarterly Update Rules**

In a footnote, AT&T acknowledges NECA's concern with consistency between the treatment of different types of data adjustments, but asserts that NECA's use of a \$1 million threshold for recomputing the NACPL for non-quarterly adjustments is "totally at odds" with the quarterly update rule (which, according to AT&T, requires that all quarterly updates, regardless of dollar amount, be reflected in the recomputed NACPL).<sup>9</sup>

NECA adopted the \$1 million threshold for individual study areas' non-quarterly data corrections because this amount corresponds to an approximate one-cent change in the NACPL.<sup>10</sup> Since changes below this level would not result in changes in the NACPL there is no point in recalculating the NACPL for individual adjustments of less than \$1 million.

Contrary to AT&T's claims, it is not inconsistent for NECA to apply a threshold criterion to non-quarterly adjustments, but not to quarterly adjustments. Non-quarterly adjustments occur on a sporadic basis, and apply to individual EC data. Absent a threshold for these adjustments, NECA could be required to engage in useless, repetitive recalculations of the NACPL. In contrast,

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<sup>9</sup> AT&T at 9 n.16.

<sup>10</sup> See Exhibit 1.

quarterly adjustments may be made by numerous ECs at the times specified in section 36.612 of the Commission's rules. Quarterly updates are thus more likely to have significant impacts on the NACPL.<sup>11</sup>

MCI argues that the \$1 million threshold is "far too high" because "a great many LECs receive a million dollars or less of USF payments." MCI worries that some LECs may be receiving erroneous USF payments because "NECA has not opted to correct individual Es&Os [errors and omissions] of less than one million dollars."<sup>12</sup> Similarly, Allnet asserts that "NECA only includes corrections [to USF data] which are more that \$1 million per study area . . . ." and further claims that NECA has offered "no plausible reason for setting such a high threshold to institute corrections to errors in the USF data."<sup>13</sup>

These comments evince a serious misunderstanding of NECA's procedures. As explained in NECA's Direct Case, and as shown in the copy of NECA's USF procedures included as an exhibit to the Direct Case,<sup>14</sup> the \$1 million threshold applies only to study area-

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<sup>11</sup> Theoretically, a net quarterly adjustment of less than \$1 million would change the NACPL by less than a penny. Thus, it might be said that a de facto adjustment threshold applies for quarterly updates as well as non-quarterly adjustments.

<sup>12</sup> MCI at 4-5.

<sup>13</sup> Allnet at 4-5.

<sup>14</sup> NECA's procedures state with regard to the \$ 1 million significance threshold:

- a. If the changes are not significant, the study area's revised expense adjustment is computed in the standard manner and adjusted retroactively to

AT&T asserts that problems must exist with NECA's data edit procedures since "there exist significant data errors in the latest 1989 and 1990 views of the individual FEG USB Data Collection

NECA initiated procedures to prohibit specific anomalies in Category 4.13 data relationships in April 1993, and will apply these procedures to the 1993 data collection currently in progress. Obviously, a procedure designed to identify a specific relationship in future data collections will not detect those items in past data collections. In any event, as shown in prior NECA tariff filings, this "error" is irrelevant because the line item highlighted has no bearing on loop cost calculations.<sup>17</sup> Rather, the ratio of Central Office Equipment (COE) Category 4.13 to total COE investment in Accounts 2210, 2220, and 2230 is used to develop the Category 4.13 investment used in the actual loop cost calculation. Central office investment dollars are accounted for in 2210 - switching, 2220 - operator systems, or 2230 - transmission. The sum of 2210, 2220 and 2230 equals total COE. An EC could have transmission investment classified to switching which would understate 2230, but the total COE would not be affected. Since the USF algorithm uses total COE there is no USF impact.<sup>18</sup>

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<sup>17</sup> NECA has twice responded to this claim in recent tariff proceedings. See National Exchange Carrier Association, Inc., Universal Service Fund and Lifeline Assistance Access Tariff Revisions, Transmittal No. 518, Reply at 9-10 (errata filed December 15, 1992). See also National Exchange Carrier Association, Inc., Universal Service Fund and Lifeline Assistance Access Tariff Revisions, Transmittal No. 475, Reply at 15-17 (filed December 2, 1991).

<sup>18</sup> Exhibit 2 displays a side-by-side comparison of the loop cost calculation for an individual study area with the COE both properly and improperly accounted for in Account 2230. As is evidenced by the results at Line AL26 of the Exhibit, both produce the same study area cost per loop.

AT&T further highlights a difference between 1989 and "latest view" Category 1 Cable and Wire Facilities data reported by Virgin Islands Telephone Company (Vitelco), and asserts that this undetected "error" resulted in an overstatement of USF expense adjustment by Vitelco of \$5.6 million.

AT&T errs when it asserts that the adjusted Total Company Account 2410 Cable and Wire Facilities (C&WF) amount of \$30,214,000 is 100% exchange line and includes that amount as Category 1 in its recalculation of cost per loop.<sup>19</sup> Consequently, AT&T fails to acknowledge that portions of the Total Company amount are categorized as exchange trunk, interexchange and host/remote facilities. Further, AT&T incorrectly assumes that the Total Company amount is \$56,005,000. This Total Company amount does not reflect adjustments due to retirements of C&WF destroyed by Hurricane Hugo. The adjusted Total Company Account 2410 amount is \$30,214,000. AT&T should have used \$28,425,331 as the Category 1 portion of the Total Company amount (original 94.08 percent of Total Company). If it had done so, the cost per loop would be the same as that included in NECA's Direct Case.

In addition to supposed data edit failures, AT&T asserts that there must be a problem with NECA's range check procedures because NECA reflected an "extraordinary" increase in New Jersey Category 4.13 expense in 1991. Repeating arguments made in its petition to suspend and investigate NECA's Transmittal No. 518 (filed Dec. 2,

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<sup>19</sup> See AT&T at Appendix C, page 7 of 79.

1992), AT&T claims that this adjustment should have been reflected in prior period adjustments for 1989 and 1990.<sup>20</sup>

NECA showed in its response to AT&T's Petition that this adjustment related to the introduction of a new basic study by New Jersey Bell, reflecting deployment of subscriber carrier systems.<sup>21</sup> According to AT&T, however, NECA's Direct Case contradicts its earlier responses because the "latest view" data supplied with the Direct Case shows changes in New Jersey Bell's Category 4.13 amounts. AT&T suggests that these changes are the result of retroactive implementation of a basic study. AT&T further argues that the adjustment must be in error because Category 4.13 increases shown for New Jersey Bell exceed increases at other Bell Atlantic companies.

AT&T is wrong. The latest view USF data provided to NECA for 1988, 1989 and 1990 by the Bell Atlantic companies do not reflect retroactive implementation of any basic separation studies. Rather, revisions to the original view data reflect corrections to Category 4.13 COE investment made by the Bell Atlantic companies after a thorough and comprehensive review by NECA and Bell Atlantic.<sup>22</sup> NECA continually engages in ongoing, comprehensive

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<sup>20</sup> AT&T at 13.

<sup>21</sup> See National Exchange Carrier Association, Inc., Universal Service Fund and Lifeline Assistance Access Tariff Revisions, Transmittal No. 518, Reply at 14 (errata filed December 15, 1992).

<sup>22</sup> These adjustments primarily related to data revisions made in conformance with "Method 1" specifications for reporting Selected Plant Account data. See NECA Direct Case at Appendix 2, USF Data Collection Instructions p. 3.

reviews of USF data with Bell Atlantic and other ECs, for anomalous changes in costs, input errors or miscalculations of data. Such reviews are required in order to insure compliance with NECA instructions and data specifications for USF submissions as well as conformance with the Commission's Part 32, 36 and 69 rules.

In addition, contrary to AT&T's claims, Bell Atlantic's latest view data does confirm that growth in Category 4.13 due to aggressive deployment of SLC 96 subscriber carrier systems by New Jersey Bell is similar to that experienced by other Bell Atlantic companies. This is shown in Table 1 of Exhibit 3, provided by Bell Atlantic for purposes of this Rebuttal.

From 1988 to 1991, the three-year growth in Category 4.13 COE Transmission investment compared to Total Account 2230 COE Transmission investment for New Jersey Bell was 160.6 percent. The other Bell Atlantic operating companies experienced comparable growth in Category 4.13 COE above 100 percent. As shown in Exhibit 3, Table 1, C&P of the District of Columbia had growth in Category 4.13 COE investment of 135.6 percent. Diamond State Telephone had growth in Category 4.13 COE of 109.2 percent. C&P of West Virginia had growth in Category 4.13 COE of 129.1 percent. The other Bell Atlantic companies experienced growth in Category 4.13 COE relative to Total COE Transmission investment in the range of 70 to 81 percent for the three-year period 1988 to 1991, as reflected in updated separation studies during this period. AT&T's assertions



<sup>23</sup> AT&T's analysis is further flawed in that it omits C&P of West Virginia, omits data for Category 4.13 and Total COE ~~from the calculation for 1990 and 1991~~ ~~from the calculation for 1990 and 1991~~

overstatements, as well as for the Vitelco Category 1 overstatement), the expense adjustment for that company is reduced without recalculating the NACPL for other companies. On the other hand, in the case of New Jersey Bell, where AT&T believes that the company's loop costs should be increased, AT&T does recalculate the NACPL, thereby reducing the study area expense adjustments for all other companies.

In other words AT&T has chosen to recalculate the NACPL for companies not directly involved in supposed data errors only when the result works in its favor. It is difficult to square AT&T's one-sided approach to these data corrections with its earlier arguments regarding NECA's procedures. If AT&T actually believes that data adjustments should, through NACPL recalculations, affect payments of all carriers, it should adopt this approach consistently. In any event, as shown above, corrections to USF payments are not warranted as a result of the data "errors" highlighted by AT&T. If corrections are required (which they are not), they should be applied only to the companies submitting incorrect data.

**IV. If The Commission Requires NECA to Recalculate the NACPL For All Carriers, It Should Do So Only On a Prospective Basis.**

Should the Commission require NECA to revise its procedures as a result of this investigation, it should do so only prospectively.<sup>25</sup>

As discussed above, USF expense adjustment amounts represent the interstate assignment of revenue requirements that would otherwise have been recovered in the state jurisdiction. If the Commission were to require retroactive adjustments to USF payments, companies would be denied the opportunity to recover their costs. Moreover, such a ruling would further increase administrative costs by forcing companies to redo separations studies for prior years.

It is not clear that such a requirement would necessarily result in lower USF expense requirements in future years. NECA

USF data to NECA, and should therefore reduce the need to correct USF data following NECA's filings.

V. Conclusion

The methodology utilized by NECA to calculate USF resizing revenue requirements is reasonable and consistent with the Commission's rules. Further, NECA's data edit procedures provide reasonable assurance that errors in EC data submissions are identified and corrected. Finally, if the Commission should decide to order adjustments to the NACPL as discussed herein, the Commission should not require retroactive adjustments in USF payments.

Respectfully submitted,

NATIONAL EXCHANGE CARRIER  
ASSOCIATION, INC.



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100 South Jefferson Road  
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Its Attorney

Lisa L. Leibow  
Regulatory Manager

July 7, 1993

USF data to NECA, and should therefore reduce the need to correct USF data following NECA's filings.

V. Conclusion

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Respectfully submitted,

NATIONAL EXCHANGE CARRIER  
ASSOCIATION, INC.

Lisa L. Leibow  
Regulatory Manager

/s/ Richard A. Askoff  
Richard A. Askoff  
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Whippany, New Jersey 07981

Its Attorney

July 7, 1993



# USF STUDY AREA COST PER LOOP CALCULATION

Algorithm Line No.	Formula	Description	Original Calculation	Revised Calculation
1	$(DL255 * (DL710/DL700)) + DL820$	Cable & Wire Facilities plus C&WF portion of Capital Leases assigned to Category 1	1,406,533.333333	1,406,533.333333
2	$DL250 + DL810$	Central Office Equipment plus COE portion of Capital leases assigned to Category 4.13	176,000.000000	176,000.000000
3	$AL1/(DL255 + DL815)$	"A" Factor Cable & Wire Facilities. C&WF Category 1 divided by Total C&WF	0.933333	0.933333
4	$AL2/(DL230 + DL235 + DL240 + DL805)$	"B" Factor Central Office Equipment. COE Category 4.13 divided by Total COE	0.117726	0.117726
5	$AL1/DL160$	"C" Factor Cable & Wire Facilities (Gross Allocator) C&WF Category 1 divided by Total Plant in Service	0.386092	0.386092
6	$AL2/DL160$	"D" Factor Central Office Equipment (Gross Allocator) COE Category 4.13 divided by Total Plant in Service	0.048312	0.048312
7	$AL5 * DL170$	Materials & Supplies assigned to Cable & Wire Facilities Category 1	5,019.196000	5,019.196000
8	$AL6 * DL170$	Material & Supplies assigned to Central Office Equipment Category 4.13	628.056000	628.056000
9	$AL3 * ((DL280 + DL330) + (DL815/DL800) * DL195)$	Accumulated Depreciation plus Net Noncurrent Deferred Operating Income Taxes assigned to C&WF Category 1	584,266.458000	584,266.458000
10	$AL4 * ((DL260 + DL265 + DL270 + DL310 + DL315 + DL320) + (DL805/DL800) * DL195)$	Accumulated Depreciation plus Net Noncurrent Deferred Operating Income Taxes assigned to COE Category 4.13	86,999.514000	86,999.514000
11	$(AL1 + AL7 - AL9)/(DL160 + DL170 - DL190 - DL210)$	"E" Factor Cable & Wire Facilities (Net Allocator) NET C&WF Category 1 divided by NET TPIS	0.395622	0.395622
12	$(AL2 + AL8 - AL10)/(DL160 + DL170 - DL190 - DL210)$	"F" Factor Central Office Equipment (Net Allocator) NET COE Category 4.13 divided by NET TPIS	0.042862	0.042862
13	$AL3 * (DL430 - DL435 - DL440)$	Cable & Wire Facilities Maintenance Expense assigned to Category 1	25,199.991000	25,199.991000

**USF STUDY AREA COST PER LOOP CALCULATION**

Algorithm Line No.	Formula	Description	Original Calculation	Revised Calculation
14	AL4 * (DL365 + DL380 + DL395 - DL370 - DL375 - DL385 - DL390 - DL400 - DL405)	Central Office Equipment Maintenance Expense assigned to Category 4.13	1,648.164000	1,648.164000
15	(AL5 + AL6) * (DL335 + DL350 - DL340 - DL345 - DL355 - DL360)	Network Support Expenses plus General Support Expenses assigned to C&WF Category 1 and COE Category 4.13	5,907.894400	5,907.894400
16	(AL5 + AL6) * (DL450 - DL455)	Network Operations Expenses assigned to C&WF Category 1 and COE Category 4.13	18,679.372000	18,679.372000
17	AL3 * (DL530 + ((DL815/DL800) * DL830))	Depreciation and Amortization Expense assigned to C&WF Category 1	58,799.979000	58,799.979000
18	AL4 * ((DL510 + DL515 + DL520) + ((DL805/DL800) * DL830))	Depreciation and Amortization Expense assigned to COE Category 4.13	7,181.286000	7,181.286000
19	(AL5 + AL6) * (DL535 + DL550 - DL540 - DL555)	Corporate Operations Expense assigned to C&WF Category 1 and COE Category 4.13	74,717.488000	74,717.488000
20	(AL5 + AL6) * DL650	Operating Taxes assigned to C&WF Category 1 and COE Category 4.13	41,268.380000	41,268.380000
21	(AL5 + AL6) * DL600	Benefits assigned to C&WF Category 1 and COE Category 4.13	27,367.452000	27,367.452000
22	(AL5 + AL6) * DL610	Rents assigned to C&WF Category 1 and COE Category 4.13	13,032.120000	13,032.120000
23	(AL1 + AL7 - AL9) * 0.1125	Return Component for C&WF Category 1	93,069.683025	93,069.683025
24	(AL2 + AL8 - AL10) * 0.1125	Return Component for COE Category 4.13	10,083.210975	10,083.210975
25	Sum of AL13 thru AL24	Total Unseparated Costs	376,955.02	376,955.02
26	AL25/DL060	Study Area Cost per Loop	301.56	301.56



**USF STUDY AREA DATA COLLECTION ITEMS**

<b>Data Line</b>	<b>Description</b>	<b>Original Data</b>	<b>Revised Data</b>
60	Total Loops	1,250	1,250
70	Category 1.3 Loops	1,225	1,225
160	Account 2001 – Telecommunication Plant in Service	3,643,000	3,643,000
170	Account 1220 – Material and Supplies	13,000	13,000
190	Account 3100 – Accumulated Depreciation	1,360,000	1,360,000
195	Account 3400 – Accumulated Amortization – Tangible	0	0
210	Account 4340 – Net Noncurrent Deferred Operating Income Taxes	204,900	204,900
220	Net Plant Investment Sum of Data Lines 160 + 170 minus Data Lines 190 through 210	2,091,100	2,091,100
230	Account 2210 – Central Office Switching Equipment	1,345,000	845,000
235	Account 2220 – Operator System Equipment	0	0
240	Account 2230 – Central Office Transmission Equipment	150,000	650,000
245	Total Central Office Equipment Sum of Data Lines 230 through 240	1,495,000	1,495,000
250	Circuit Equipment – Category 4.13	176,000	176,000
255	Account 2410 – Cable and Wire Facilities – Total	1,507,000	1,507,000
260	Account 3100 (2210) – Accumulated Depreciation – Central Office Switching Equipment	545,000	545,000
265	Account 3100 (2220) Accumulated Depreciation – Operator System Equipment	0	0
270	Account 3100 (2230) – Accumulated Depreciation – Central Office Transmission Equipment	105,000	105,000
275	Account 3100 (2210 – 2230) – Total Accumulated Depreciation – Central Office Equipment Sum of Data Lines 260 through 270	650,000	650,000
280	Account 3100 (2410) – Accumulated Depreciation Cable and Wire Facilities	539,000	539,000
310	Account 4340 (2210) – Net Noncurrent Deferred Operating Income Taxes – Central Office Switching Equipment	81,000	81,000
315	Account 4340 (2220) – Net Noncurrent Deferred Operating Income Taxes – Operator System Equipment	0	0
320	Account 4340 (2230) – Net Noncurrent Deferred Operating Income Taxes – Central Office Transmission Equipment	8,000	8,000
325	Account 4340 (2210 – 2230) – Net Noncurrent Deferred Operating Income Taxes – COE Sum of Data Lines 310 through 320	89,000	89,000
330	Account 4340 (2410) – Net Noncurrent Deferred Operating Income Taxes – Cable and Wire Facilities	87,000	87,000